


Investment Insights

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**NEW
ENGLAND
RARE COIN
GALLERIES**
THE LEADER IN
AMERICAN NUMISMATICS

Mailing Address: P. O. Box 1776 • Boston, Mass. 02105

Executive Offices and Galleries: 89 Devonshire Street • Boston, Mass 02109 • 617-227-8800 • Toll-Free Wats Line: 1-800-225-6794



RARE COINS FOR CHRISTMAS



It is traditional at this time of year to "give a gift from the heart." Unfortunately, many of these gifts are perishable items that are relatively quickly used up, spent or forgotten. For those of you who are coin oriented, whether it be as collectors or investors, I would like to suggest that you give your favorite person a rare coin for Christmas. Rare coins are an all but imperishable gift, and constitute a physical record of the last 2600 years of mankind's history.

For many years it was a part of our culture to give a gold coin in a small box for Christmas, birthdays, or as part of an inheritance. In my 20 years as a numismatist, I have met numerous individuals who have refused to part with their treasures, their mementos of good times past, their "gifts from the heart."

Now, there is yet another reason to give rare coins as a present, whether gold, silver, copper or nickel. That reason is the investment potential of these same coins which have exhibited more than 43% simple gain per annum over the 1966-1976 period.

With the current international boom market in gold bullion and the resulting interest in gold coins, it would be most appropriate to give a beautiful, antique U.S. gold coin for Christmas. Did you know, for example, that each U.S. \$20 gold piece (Double Eagle) contains 9/10ths of an ounce of pure gold? Gold bullion, as of this writing, is selling for about \$170 an ounce. This means that each Double Eagle has \$153 worth of bullion value in it. Although these coins do cost considerably more than that, the extra cost represents their numismatic value and is indicative of the greater esteem that a rare coin is held in, as compared to a bullion coin such as the Kruggerand.

Also, since there is a legal precedent for disallowing domestic ownership of foreign gold coins struck after 1933, your discretionary income is safer if invested in U.S. gold coins. By owning U.S. gold coins you do not have to worry about the government stepping in and confiscating your numismatic coins as compared to foreign bullion coins. Also, the gold coins of the U.S. are the most precious coins ever produced by the most stable government in the world.

As our contribution to your Christmas, you can order any gold coin in our \$1,000,000 inventory and take a 10% discount. To make your holiday even merrier, we'll include a beautiful Capital holder free of charge. There is no limit to the quantity you can order. Simply call Charles Browne, Assistant Director of our Rare Coin Investment Program, or Ed Lee, Director.

In 1977, there will be very few presents to compare with the beauty, rarity, investment potential and durability of rare coins.

INVESTING IN



LINCOLN CENTS



\$20 St. Gaudens Gold	
Choice BU	295.00
Gem BU	329.00

\$20 Liberty Gold	
Choice BU	310.00
Gem BU	395.00

\$10 Indian Gold	
Choice BU	295.00
Gem BU	450.00

\$10 Liberty Gold	
Choice BU	195.00
Gem BU	295.00

\$5 Indian Gold	
Choice BU	375.00
Gem BU	695.00

\$5 Liberty Gold	
Choice BU	150.00
Gem BU	225.00

\$2½ Indian Gold	
Choice BU	175.00
Gem BU	250.00

\$2½ Liberty Gold	
Choice BU	195.00
Gem BU	250.00

\$1 Gold — Type 1	
Choice BU	450.00
Gem BU	695.00

\$1 Gold — Type 3	
Choice BU	450.00
Gem BU	695.00



Since 1909 when Victor D. Brenner's Lincoln cent first went into circulation, we have only seen one basic design change, this being the adaptation of the Lincoln Memorial for the reverse design in 1959. Little did Mr. Brenner realize that his coin has been one of the most widely accepted and longest running designs used on any American coin since the inception of regular issue coinage in 1793.

One of the most important factors to be considered in determining what constitutes a Gem Lincoln is color. While most contemporary Lincolns (1936-1977) are obtainable in Gem quality, either singly or by the roll, early Lincolns were not heavily saved. This may be due to the fact that most collectors of the time did not bother to save coins that were modern by their standards, especially those of little intrinsic or monetary value. When rolls *were* put aside, most were kept in their original bank wrapped paper rolls. These had very high sulfur content, and hence had a devastating effect on the coins over a long period of time. The sulfur very often caused the formation of carbon spots and discoloration on the surfaces of the coin. This, combined with exposure to heat and humidity, made preservation an extremely hard task. When looking for MS 65/70 Lincolns, it is imperative to remember that there should be little or no bag marks and no spotting or discoloration on these coins. Original colors will range from subtle golds and yellows to brick red. For a few years, some mints used alloys that actually gave the planchets a streaked appearance which is not only acceptable, but unavoidable.

The Lincoln Cent series has generated some of the most interesting and hard to locate coins minted in the twentieth century. During the first few years of production, tremendous quantities were struck by all mints, especially Philadelphia. Although some Philadelphia issues of 1909-1915 are relatively easy to locate in MS 60 or 60+, they are somewhat elusive in Gem MS 65/70. Many 1914-P Lincolns are rather mushy in appearance, especially on the reverse in the lower wheat ears and on the obverse in the head detail. Select MS 65/70 specimens that are fully struck with strong wheat ears, shoulder and head detail should be purchased whenever obtainable. The Philadelphia issues of 1909-1912 and 1915 are all obtainable in Gem 65 or 65/70, and at current levels they are an extremely good investment.



While the Philadelphia issues of 1916-1920 maintained most of the detail present on the 1909-1915 issues, the issues from 1916 on into the late 1960's seem to have gotten progressively worse. Trying to locate a 1926-P with detail like a Gem 1909-VDB would be like looking for a fully struck 1892-O Morgan Dollar in deep mirror Prooflike. Because of the striking methods used during the 1920's, this type of coin may not even exist!

Variations in striking methods must be taken into consideration when buying these issues. One should look for the best strike possible, with good original color and no spotting. The Philadelphia issues of 1921-1933 are all obtainable in Gem 65 or better condition for prices that are very reasonable considering the relative rarity of the metal when it is perfectly preserved.

The Denver issues, like the Philadelphia issues, have several dates that are quite elusive in high grade. The issues of 1911-1913, while classified as semi-keys, have never shared the popularity that San Francisco mint Lincolns have. This is due in part to the fact that most beginning and intermediate collectors are mistakenly under the assumption that San Francisco mint Lincolns are scarce, when in reality they are just as common as the Denver issues. While MS 60 and 60+ coins are available, true Gem quality MS 65 and 65+ are highly sought after by most dealers, with few accurately graded pieces changing hands.

The 1914-D speaks for itself. For years it had the highest guide book price in Uncirculated and it is currently listed second on the price scale. Although the coin has a mintage of only 1.19 million, it *is* available in Gem 65 condition. Because of its past popularity and current market trends, the coin will in all probability continue to be one of the most popular coins in any series.

The 1915-1919 Lincolns are in many ways similar to the earlier Denver issues; they all have relatively high mintages for the era in which they were coined. However, because of the nature of collecting at the time, Gem pieces were not saved. While the 1915, 1916, 1918, and 1919 often come well struck, the 1917 usually shows weakness on the lower obverse. Well struck specimens with original color are currently a bargain at \$150.00.

The next decade of coinage provides a most interesting study because of the characteristic weakness in strike which plagues many of the Denver issues. The 1920-D and 1922-D, as well as the 1927-D through 1930-D issues, are obtainable in BU, but patience is required in selecting fully struck, problem-free 65/70 specimens.

The so-called 1922-P is in actuality a 1922-D whose obverse die has been so severely polished that the D mint mark was eventually polished off. It is by far the rarest Lincoln cent in Uncirculated condition. This coin has enjoyed a steady increase in demand and price over the years with auction prices for Uncirculated pieces reaching over \$3000, and private sales recorded as high as \$7500. It is, however, still extremely

underrated in any grade. One of the reasons for this is the fact that when the first coin storage books (coin folders) were produced, the space for a cent dated 1922 was only for the 1922-D. Many collectors were unaware that a "1922-P" even existed. This coin is usually found with an extremely poor obverse that appears to grade only Good or slightly better, but with a reverse that can have full definition in the wheat ears. Even if not obtainable in Uncirculated, the 1922 Plain is still a tremendous investment in any grade. I feel that in years to come, the price for a good 1922 Plain will surpass that of a 1909-S VDB.

The 1924-D enjoys immense popularity because of its low mintage and its scarceness in true Gem 65. Most pieces tend to be slightly weak with indifferent color. Fully struck specimens with original color and no visible imperfections promise to do nothing but appreciate.

The 1925-D and 1926-D are very similar in strike to their counterparts in other United States series. The vast majority of pieces are weakly struck but, even with total mint luster and weakness of design they are desirable. As in other dates, fully struck 1925-D and 1926-D Lincolns are rare and would be a fine addition to any collection or investment portfolio.

The 1931-D, when well struck and free of bag marks and spots, is much scarcer than its brother, the 1931-S. Because of the low mintage of the 1931-S, many pieces of this issue were saved, while quantities of the 1931-D were not. This 1931-D should be purchased now, as Superb pieces are today bringing more than double guide book prices.

During 1909, the San Francisco mint produced two types of Lincoln cents. The 1909-S and 1909-S VDB have always shared great popularity and promotion, and both coins are readily available in Gem 65. These coins will no doubt increase in value, but perhaps not at the same rate as some of the other mint marked Lincolns of the teens and twenties. The procurement of a 1909-S or 1909-S VDB in Superb 65/70 is the wisest, and the *only* way, to purchase this coin for investment.

The majority of 1910-S through 1913-S Lincolns on the market are MS 60 and 60+. However, when quality by color is important, these coins become very difficult to find. Spotting and general lack-luster appearance seem to be ever-present on these particular dates. It should be remembered that these dates come well struck, so settling for inferior pieces is not advisable. Only MS 65 coins should be chosen for long term investment.

The 1914-S has long been considered by Lincoln specialists to be the most difficult of these coins to find in full mint red. I have only seen two Superb red coins that could be graded MS 65/70 in the past year. If unobtainable in MS 65+, an MS 60 coin will fit nicely in any set and should be considered for purchase.



The 1915-S is still priced very low in the guide book and should be considered very underrated in true 65/70. The majority of the pieces offered today are off in color, but still sharp in detail. Like the 1914-S, a Gem 1915-S would be a wise investment, but one may have to settle for an MS 60+.

The remainder of the San Francisco cents coined up to the early 1930's have one basic characteristic in common — a weak strike. The issues of 1917-1928 are all notoriously bad, with the 1923 and 1924 being the worst.

These strikes must be taken into consideration when looking for individual dates. To pass up a better than average strike is a mistake, as the opportunity may not present itself again. An important factor, however, is color. When coins are weakly struck and really not obtainable otherwise, full mint luster should be present on any coin purchased. The extreme scarcity of these issues when fully struck is just beginning to be recognized. With patience and perserverance, they can be obtained.

The issues of 1929-1931 are readily available in Gem 65/70. The 1931-S has a recognized low mintage and thus was hoarded greatly. Only Superb 65/70 specimens should be considered for purchase.

Taking into consideration all the characteristics of color and strike in certain early dates, it can be seen that most issues are truly scarce in accurately graded Gem 65/70 condition. Dealer demand has been extremely strong through the years for most key and semi-key dates, while common dates have remained in the background. Today, common dates also enjoy the limelight. Taking random samples of each, we can see how guide book values have changed over the past 20 years.

GUIDE BOOK VALUATIONS

	1958	1978
1909-S VDB	60.00	325.00
1909	1.50	10.00
1911-D	8.00	60.00
1912-S	16.50	75.00
1914	6.50	37.50
1914-D	150.00	750.00
1916	2.00	11.00
1916-D	7.50	30.00
1918	2.00	13.00
1921	6.50	31.00
1922 Plain	10.00	1850.00
1923-S	65.00	260.00
1926-S	20.00	165.00
	<hr/>	<hr/>
	355.50	3617.50

While tremendous gains have been recorded over this span for these dates, the issues from 1909-1933 as a whole have increased value from \$184.25 by 1948 guide book scales, to \$5963.75 in the 1978 guide book.

The catalog prices represent values for Uncirculated 60 pieces, not Superb MS 65/70 coins. A Gem set of Lincoln cents from 1909-1933, including the 1922 Plain (if it were available) could easily realize five figures. Due to their relative scarcity, it is my belief that the purchase of Superb early Lincolns, and of virtually every other twentieth century type coin, is decreasing rapidly. Again, and most importantly, all the criteria for an MS 65 grade must be met when considering purchase of these coins; i.e. color, strike and lack of spotting or discoloration must all be taken into account in order to protect the investment potential of your collection.



A couple of months ago, we announced the inception of a new feature in INVESTMENT INSIGHTS, The Investment Forum. Since we began soliciting coin investment questions in our October issue, we have received a number of inquiries. Many of these have concerned particular aspects of investing pertinent only to an individual's personal portfolio, while others have been directed toward matters of more general, often controversial, numismatic topics. From this latter category, we have chosen a representative group of questions to respond to in this, our first Investment Forum.

It is our conviction that INVESTMENT INSIGHTS subscribers will benefit not only from the expert, professional advice of Investment Director Edward Lee, but also from exposure to issues and viewpoints articulated by fellow readers. If you would like to participate in this unique numismatic exchange, please address your letters to: Mr. Edward Lee, NEW ENGLAND RARE COIN GALLERIES, Dept. II-5, P.O. Box 1776, Boston, MA 02105. We thank you for the interest you have already shown.

Investment Forum

"I have noticed that coins seem to run in cycles. For example, silver dollars seem to be hot right now. Should I get in on a series that is so rapidly increasing in price?"

—John G., Kansas City, MO

You are quite correct in your observation that rare coin appreciation is cyclic. What is not recorded in the graphs that you might see featured in various publications is that the average rare coin experiences several cycles of rapid gain followed by a leveling off period which I refer to as the "resting phase."

Silver dollars are "hot" as you said. However, to advise you as to whether or not to "jump in" to the dollar market now is very difficult. The best advice I can give you, not knowing your personal situation, is to return to the basics of numismatic investments. The entire Morgan Dollar set should cost between \$100,000 (in Choice Uncirculated) to \$200,000+. In comparison, the entire Peace Dollar set is currently available for about \$5,000. It is therefore more difficult or unlikely that the Morgan Dollars will double in price than the Peace Dollars. Despite its simplicity, this is a powerful argument in favor of the Peace Dollar set over the Morgans.

The next factor you should consider is whether or not it is wise to "jump in" on anything that is so rapidly appreciating. The best solution, of course, is to have already invested in the "hot issues" before they got fully into their upward spiral. For the last year I have been steering my investor clients away from Morgan Dollars and into Peace Dollars. Now that they have "caught fire," I'll recommend moving into a similarly underrated series.

"I'm about to start a type for investment purposes. Would I be better off investing in 20th century type coins or in 19th century?"

—Helen P., Venice, CA

Since there are legitimate pros and cons on this issue, no definitive answer can be given. However, let's examine the facts. Logically, I feel that it is better to invest in the 20th century coins of those issues which extend from the 19th century into this century. For example, Liberty Nickels were struck between 1883 and 1912. By buying nickels from 1900 to 1912, you have covered three potential markets for your type coins when you choose to sell them. These markets include those individuals who are working on an entire type set (1793 to date), a 20th century type set only, and the series collector who wants the entire Liberty Nickel set.

If, however, you choose to buy only the Liberty nickels struck between 1883 and 1899, you eliminate the 20th century market. However, the 1883 to 1899 nickels do sell for more than the 1900-1912 dates at current market prices. My best guess is that at some time in the future, when each Liberty Nickel sells for several times the present level, the 20th century dates will become more popular and more valuable than their 19th century predecessors.

If this is a valid assumption, then it should be applied similarly to the Barber Dimes and Halves series. Unfortunately, I must conclude that this theory must remain an assumption until a later date, as there are many factors that are liable to affect the coin market unpredictably.

"Can a coin really be graded Superb if it isn't fully struck?"

—Harry L., New York, NY

First of all, let us define what is meant by "strike." The term refers to the degree of fullness of the lettering and devices on a coin. A typical example of a coin that virtually always comes less than fully struck is the 1921 Peace Dollar. This coin is actually a different type than all of the other Peace Dollars, as it is a high relief design. Apparently, what happened with this coin is that the design was in such relief that there was not sufficient metal to fill the design mold. Therefore, the coin almost always comes weakly struck on the hair detail by Ms. Liberty's ear and the corresponding spot on the reverse.

Therefore, you simply cannot buy a fully struck 1921 Peace Dollar as a business strike. They do, however, come fully struck as Proofs (7 known). By "fully struck," dealers mean "as fully struck as is obtainable."

To get back to our original question — yes, I believe that a coin can grade Superb without being fully struck. Fully struck business strikes are often quite scarce. Indeed, most of the full headed Standing Liberty Quarters are not entirely fully struck, even through their heads are fully struck. The same holds true for full band Mercury Dimes.

As I've said many times before, you must learn to grade the entire coin, taking into consideration its surface, lack of wear, color, mint luster, bag marks, and strike. You simply cannot accurately grade a coin as Superb or not Superb on strike alone.

"How can I tell the difference between weak strike and wear?"

—Nicholas S., Lincoln, NB

90% of the time, it's easy. A coin that is weakly struck on one side will almost always be weakly struck in the corresponding area on the opposite side of the specimen. However, you must allow for the apparent weakness on one side to be larger or smaller on the reverse. The reason for this is that part of the weakness on one side may be on the lettering near the obverse rim at 4 o'clock. The corresponding area of the reverse may, however, be devoid of design or lettering. In other words, the weakness on the opposite side may not be apparent, or it may be larger or smaller in size, because of the presence or absence of design or lettering.

Like so much of numismatics, it is easy to understand the basic fact of the matter in question, but the actual application is sometimes complicated.

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Dept. II-5, P.O. Box 1776
Boston, MA 02105

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<i>Editor-in-Chief</i>	Carolyn Unger, Advertising Manager
<i>Administrative Advisor</i>	Charles Lidman, General Manager
<i>Contributing Writers</i>	Charles O. Browne, Assistant Director of Investment Counseling Edward Lee, Director of Investment Counseling
<i>Photography</i>	Carolyn Unger, Advertising Manager
<i>Cover Design</i>	Irene Alter, Art Director


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